



BUILDING HOME

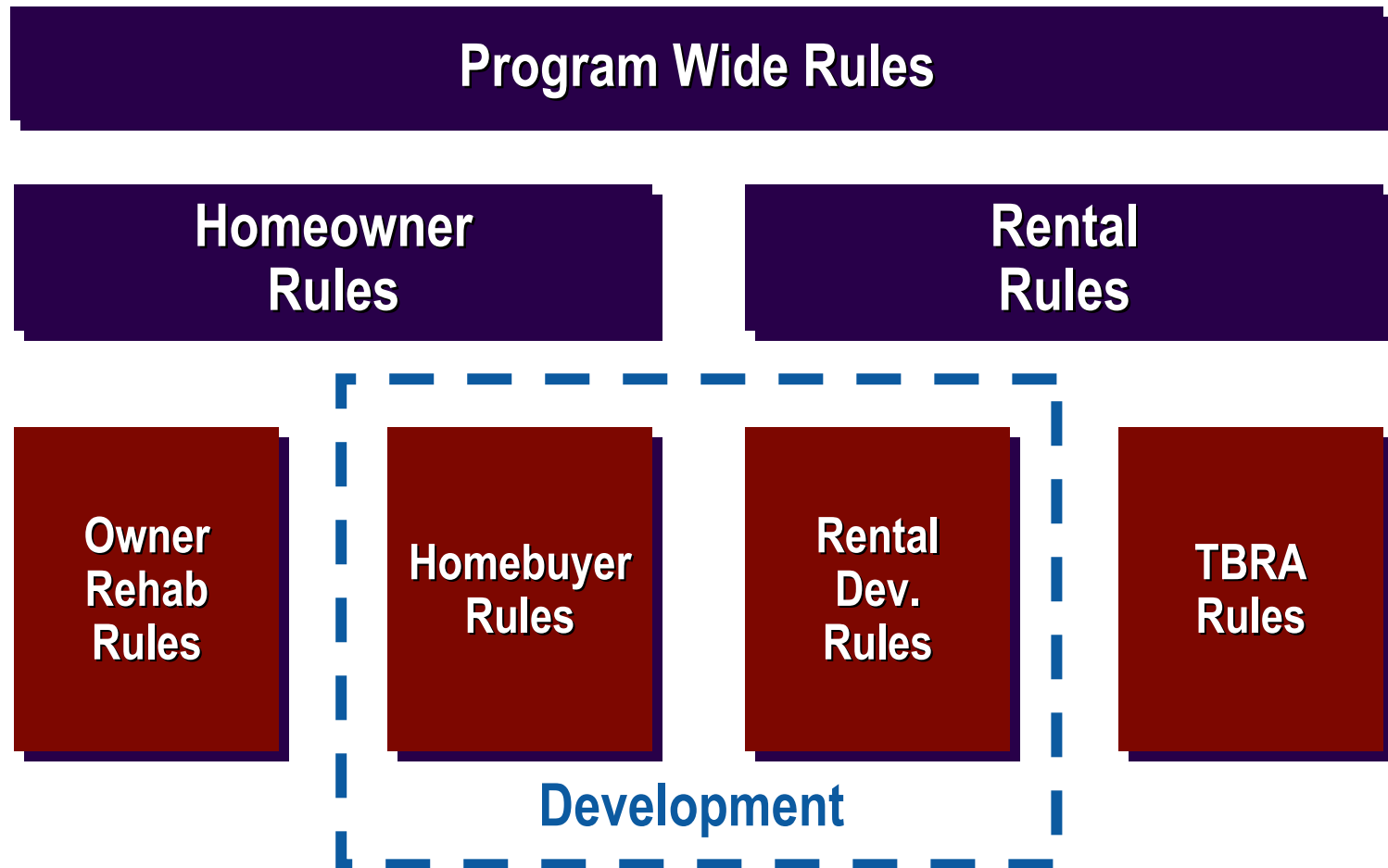
General Program Rules

Program Rules



- The HOME Program is 4 programs in 1
 - ◆ Homeowner Rehab
 - ◆ Homebuyer
 - ◆ Rental Development (New Construction or Rehab)
 - ◆ TBRA (Rental Subsidy)

Rules





Program Wide Rules

- Defining a Project
- Form and Amount of Subsidy
- Eligible and Ineligible Costs
- Condition of Property
- Maximum Income
- Concept of Affordability
- Federal Cross-Cutting Requirements



Definition of a Project

- Site(s) under common ownership, management and financing
- One or more families under one TBRA program
- Assisted with HOME funds as a single deal
- A single set up in IDIS



Form of Subsidy

■ Lots of choices

◆ Loans

- Interest or no interest
- Payments or no payments
- No payments for a while, then payments
- Forgiven over time

◆ Grants

◆ Interest Subsidies

◆ Equity Investments

◆ Loan Guarantees

Amount of Subsidy



- Minimum = \$1,000 per unit (not TBRA)
- Maximum = 221(d)(3) limit
 - ◆ Available only from HUD hub office multifamily division
 - ◆ Contact local field office for assistance

Eligible Costs



- New Construction
- Rehabilitation
 - ◆ Standard Rehab
 - ◆ Reconstruction
 - ◆ Conversion
- Acquisition
 - ◆ Vacant Land
 - ◆ Improved Land

Eligible Costs (continued)



- Site Improvements
- Demolition
- Relocation
- Refinancing
- Project Soft Costs
- Project Delivery Costs (except TBRA)

Ineligible Costs



- Reserve Accounts
- TBRA in Certain Units
- Match for Other Federal Programs
(except McKinney)
- Public facilities
- Assistance to:
 - ◆ Public Housing

Ineligible Costs (continued)



- Acquisition of PJ-Owned Property
(unless acquired for a HOME project)
- Project Based Rental Assistance



Condition of Property

- HOME \$ is spent → “standard” unit
- Different definitions of “standard” for different activities
- 3 Types of Codes Apply
 - ◆ Building Codes
 - ◆ Housing Codes or Standard
 - ◆ Rehabilitation Standards



Maximum Income

- 100% of HOME \$ help people \leq 80% MFI
- Lower income guides for some activities
- Note: different than CDBG

What Counts as Income?



- 3 Definitions
 - ◆ Section 8
 - ◆ IRS Adjusted Gross Income
 - ◆ Census Long Form
- Source Documents
- Anticipated Income

HOME Model Guide: Technical Guide
for Determining Income and
Allowances for the HOME Program:
Second Edition (HUD 1780, June 1999)



Income Basics

- Anticipate income for next 12 months
- Verify -- 3rd party or review of documents
- Compare income to low income limits to determine eligibility
- Recertify annually



Part 5 Definition

- For eligibility look at gross income
- Income of all adults
- Follow list of income inclusions and exclusions
- Consider income from assets

Census Long Form



- Look at list of income inclusions and exclusions
- Assets treated differently than Part 5

IRS 1040



- Has list of income inclusions
- Also has deductions for adjusted gross income
- Assets different than under Part 5

Concept of Affordability



- Appropriate return on federal investment
- Amount of HOME \$ establishes time period
 - ◆ Big HOME investment = long period of time
 - ◆ Small HOME investment = short period
- Period of Affordability =
Period of Compliance

Affordability / Compliance



HOME \$ Per Unit	Length of Affordability / Compliance
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
Refinancing Rental Hsg.	15 years
Rental New Construction	20 years

Additional Funding for Projects Affordability/Compliance Period



PERIOD

Federal Cross-Cutting Regs



- HOME Reg lists other regs that apply
- Refer to other regs for applicability
- List includes regs about:
 - ◆ Non-Discrimination and Equal Access
 - ◆ Employment and Contracting
 - ◆ Environmental
 - ◆ Lead Based Paint
 - ◆ Relocation